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AVOYELLES PUBLIC CHARTER SCHOOL, INC.

FINANCIAL STATEMENTS

JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/22/03

DUCOTE & COMPANY
Certified Public Accountants
219 North Main Street
P. O. Box 309
Marksville, LA 71351

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

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AVOYELLES PUBLIC CHARTER SCHOOL, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Avoyelles Public Charter School, Inc.
Mansura, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2002, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Public Charter School, Inc. as of June 30, 2002, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 11, 2002, on our consideration of Avoyelles Public Charter School, Inc.'s internal control structure and on our tests of its compliance with certain laws, regulations, and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.



DUCOTE & COMPANY
Marksville, Louisiana
December 11, 2002

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Avoyelles Public Charter School, Inc.
Mansura, Louisiana

We have audited the statement of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2002, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated December 11, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Avoyelles Public Charter School, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Public Charter School, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and the management of the Avoyelles Public Charter School, Inc., State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.


DUCOTE & COMPANY

Marksville, Louisiana
December 11, 2002

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Financial Position
June 30, 2002

ASSETS

Current assets:

Cash and interest-bearing accounts	\$188,581
Accrued interest receivable	1,267
Accounts receivable - grants	225,379
Accounts receivable - other	285
Total current assets	<u>415,512</u>

Restricted assets:

Cash and interest-bearing accounts	<u>34,950</u>
Total restricted assets	<u>34,950</u>

Property and equipment:

Land and land improvements	101,853
Buildings	1,876,571
Transportation equipment	1,000
Furniture and fixtures	47,819
Machinery and equipment	23,654
Construction in progress	<u>10,520</u>
	2,061,417
Less accumulated depreciation	<u>(84,618)</u>
Net property and equipment	<u>1,976,798</u>

Other assets:

Cash and interest-bearing accounts	284,909
Investments - designated	<u>304,555</u>
Total other assets	<u>589,464</u>

Total assets	<u><u>\$3,016,725</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$17,076
Accrued expenses	116,043
Notes payable (current portion)	<u>81,863</u>
Total current liabilities	<u>214,982</u>

Long-term liabilities:

Notes payable	<u>1,737,640</u>
Total long-term liabilities	<u>1,737,640</u>
Total liabilities	1,952,623

Net assets:

Net assets - unrestricted	439,688
Net assets - designated	589,464
Net assets - restricted	<u>34,950</u>
Total net assets	<u>1,064,102</u>

Total liabilities and net assets	<u><u>\$3,016,725</u></u>
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See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Activities
For Period Ended June 30, 2002

Public Support Revenues and Other Support:

Unrestricted grants in aid - state	\$1,769,080
Restricted grants in aid - federal and state	313,447
Student fees	44,614
Donations - unrestricted	12,806
Miscellaneous revenue	69,785
Inkind revenue	1,450
Interest earned	<u>14,458</u>

Total public support revenues and other support	2,225,640
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Expenses:

Administrative expenses	173,676
Program expenses	1,329,175
Inkind expenses	<u>1,450</u>

Total expenses	1,504,301
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Increase (decrease) in net assets	721,339
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Net assets at beginning of period	<u>342,763</u>
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Net assets at end of period	<u>\$1,064,102</u>
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See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Cash Flows
For the Period Ended June 30, 2002

Cash flows from operating activities:

Increase in net assets	\$721,339
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	54,838
(Increase) decrease in operating assets:	
Accounts receivable	(115,053)
Accrued receivables	(1,267)
Other receivables	(285)
Increase (decrease) in operating liabilities:	
Accounts payable	(5,632)
Accrued expenses	48,766
Increase in school activity funds	<u>8,982</u>
Net cash provided (used) by operating activities	<u>711,688</u>

Cash flows from investing activities:

Payments for purchases of property and equipment	(414,760)
Payments for purchases of investments	<u>(304,555)</u>
Net cash flows provided (used) by investing activities	<u>(719,315)</u>

Cash flows from financing activities:

Increase in notes payable	349,390
Decrease in notes payable	<u>(76,415)</u>
Net cash provided (used) by financing activities	<u>272,975</u>
Net increase (decrease) in cash and cash equivalents	265,348
Beginning cash and cash equivalents	<u>243,093</u>
Ending cash and cash equivalents	<u><u>\$508,441</u></u>

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Functional Expenses
For the Period Ended June 30, 2002

	<u>Administrative Expenses</u>	<u>Program Expenses</u>	<u>Total</u>
Expenses:			
Salaries	\$92,243	\$703,248	\$795,491
Payroll taxes	1,301	9,577	10,878
Employee group insurance benefits	4,136	61,393	65,529
Retirement fund contribution	12,162	88,770	100,932
Transportation	0	19,764	19,764
Advertising	631	0	631
Depreciation expense	0	54,838	54,838
Dues and fees	5,904	0	5,904
Insurance	9,441	15,701	25,142
Repairs and maintenance	0	20,594	20,594
Audit/Accounting services	21,944	0	21,944
Other professional services	17,247	51,120	68,367
Miscellaneous expense	0	11,527	11,527
Bank charges and fees	88	0	88
Purchased educational services	0	6,869	6,869
Materials and supplies	6,081	52,017	58,098
Books and periodicals	0	67,782	67,782
Telephone and postage	2,498	0	2,498
Utilities	0	24,918	24,918
Food service management	0	91,397	91,397
Interest expense	0	49,659	49,659
	<u>0</u>	<u>49,659</u>	<u>49,659</u>
 Total expenses	 <u>\$173,676</u>	 <u>\$1,329,175</u>	 <u>\$1,502,851</u>

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements
June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles Public Charter School, Inc. was granted a charter by the State Board of Elementary and Secondary Education in 1999 to provide a stimulating environment to academically challenged elementary school children. The School incorporates firm policies of discipline with parental and community involvement so that students will master essential academic and life skills. The Avoyelles Public Charter School, Inc. is a Type 2 Charter School governed by a board of directors.

The Avoyelles Public Charter School, Inc. is a nonprofit organization exempt from federal and state income tax under Section 501(c)(3) of the United States Internal Revenue Code.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Public Support and Revenue

Avoyelles Public Charter School, Inc. receives its grant support primarily from the Louisiana State Department of Education.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Avoyelles Public Charter School, Inc. had no temporarily or permanently restricted net assets as of June 30, 2002.

Cash and cash equivalents

The School considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are capitalized at cost. It is the School's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method. Property and equipment are being depreciated over their estimated useful lives using the straight-line method, using the following lives:

Transportation equipment	5 years
Furniture & fixtures	5 - 7 years
Machinery & equipment	5 - 10 years
Buildings	40 years

NOTE B - CASH AND CASH EQUIVALENTS

At June 30, 2002, the School has cash and cash equivalents (book balances) totaling \$508,441 as follows:

Demand deposits	\$ 208,383
Time deposits	<u>300,058</u>
Total	<u>\$ 508,441</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2002, the school has \$847,024 in deposits (collected bank balances). These deposits are secured from risk by \$234,950 of federal deposit insurance. The remaining balance of \$612,074 was secured by the pledge of securities.

NOTE C- INVESTMENTS

At June 30, 2002, the school holds investments totaling \$304,555 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit Deposit	<u>\$304,555</u>	<u>\$304,555</u>
Total	<u>\$304,555</u>	<u>\$304,555</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE C - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2002:

United States Department of Education IDEA/Special Ed	\$ 22,815
United States Department of Education Title I	106,074
United States Department of Education Title II	568
United States Department of Education Title VI	42
United States Department of Education Class Size Reduction	18,669
United States Department of Education Preschool	4,272
United States Department of Education K-3 Reading and Math	12,939
Louisiana State Board of Elementary and Secondary Education – 2nd Year Charter Grant	<u>60,000</u>
Total grants receivable	<u>\$225,379</u>

NOTE D – FIXED ASSETS

A summary of fixed assets is as follows:

	Balance <u>June 30, 2001</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2002</u>
Land and land improvements	\$ 64,353	\$ 37,500	\$ -	\$ 101,853
Buildings	1,373,375	503,196	-	1,876,571
Transportation equipment	1,000	-	-	1,000
Furniture and Fixtures	2,595	45,224	431,671	47,819
Machinery and equipment	6,871	16,783	-	23,654
Construction in progress	<u>198,463</u>	<u>243,728</u>	<u>-</u>	<u>10,520</u>
	<u>1,646,657</u>	<u>\$ 846,431</u>	<u>\$ 431,671</u>	<u>2,061,417</u>
Accumulated depreciation	<u>(29,780)</u>	<u>\$ (54,388)</u>	<u>\$ -</u>	<u>(84,618)</u>
Net fixed assets	<u>\$ 1,616,877</u>			<u>\$1,976,798</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE E – CONSTRUCTION IN PROGRESS

At June 30, 2002, construction was underway for a music and art addition for the Avoyelles Public Charter School, Inc. Construction of the addition was substantially completed in September 2002. At June 30, 2002 construction costs totaled \$10,520 out of an estimated total project cost of \$99,000.

NOTE E – LONG-TERM NOTE PAYABLE

United States Department of Agriculture

By resolution of the Board of Directors on February 22, 2000, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,600,000 for the purpose of providing the cost of building an educational facility. The Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$1,600,000 at an interest rate of 5.125% payable over twenty-five years. At June 30, 2002 the school had an outstanding principal balance of \$1,532,663. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2003	45,667	72,989	118,656
2004	43,459	75,197	118,656
2005	45,739	72,917	118,656
2006	48,139	70,517	118,656
2007	50,665	67,991	118,656
2008-2025	<u>1,298,994</u>	<u>611,431</u>	<u>1,910,425</u>
Totals	<u>\$1,532,663</u>	<u>\$971,042</u>	<u>\$2,503,705</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE E – LONG-TERM NOTE PAYABLE (continued)

Louisiana Local Government Environmental Facilities and Community Development Authority

By resolution of the Board of Directors on December 1, 2001, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$497,694. The Board of Directors entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to borrow \$497,694 interest free through the issuance of Qualified Zone Academy Bonds (QZAB's) payable over thirteen years. At June 30, 2002 the school had drawn down \$295,890 with remaining available funds of \$201,804. The remaining funds will be drawn down as projects are approved by the Authority. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2003	36,196	-	36,196
2004	36,196	-	36,196
2005	36,196	-	36,196
2006	36,196	-	36,196
2007	36,196	-	36,196
2008-2015	<u>307,665</u>	<u>-</u>	<u>307,665</u>
Totals	<u>\$ 488,645</u>	<u>\$ -</u>	<u>\$ 488,645</u>

NOTE F – NET ASSETS

Designated

Designated net assets represent tentative plans for future use of financial resources.

Restricted

Restricted net assets represent those portions of net assets not appropriable for expenses legally segregated for a specific future use.

NOTE G – RETIREMENT SYSTEMS

Substantially all employees of the School are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report and includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE G – RETIREMENT SYSTEMS (continued)

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School is required to contribute at an actuarially determined rate. The current rate is 15.2 percent of annual covered payroll for all three membership plans. Member contributions and employer's contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the TRS, as provided by state law, are funded by the State of Louisiana through annual appropriations and by remittances from the School.

The School's contributions to the TRS for the year ending June 30, 2002, were \$157,802, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits.

Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 6.35 percent of their annual covered salary, and the school board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ending June 30, 2002, were \$2,115, equal to the required contributions for each year.

NOTE H – COMPENSATED ABSENCES

The school has the following policy relating to annual leave:

The school allows each employee ten days of annual leave each school year. Annual leave can be accumulated without limitation. Upon termination, retirement or death, unused accumulated annual leave benefits are not paid to the employee. However, under Teachers Retirement System of Louisiana and Louisiana School Employees Retirement System, allowable unpaid personal leave is used in the retirement benefit computation as earned service.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2002

NOTE I – CHANGES IN SCHOOL ACTIVITY DEPOSITS DUE TO OTHERS

A summary of changes in school activity deposits due others follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
School activity accounts	\$ <u>2,105</u>	\$ <u>46,749</u>	\$ <u>39,871</u>	\$ <u>8,983</u>

NOTE J – DONATED SERVICES

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. The School generally pays for services requiring specific expertise. However, some Board Members and employees volunteer their time and perform a variety of tasks that assist the Organization with administrative programs.

NOTE K – SUBSEQUENT EVENTS

United States Department of Agriculture

Subsequent to June 30, 2002, the school was also approved for an additional direct loan from the United States Department of Agriculture in the amount of \$600,000. Repayment term is for twenty-five years at a rate of interest to be determined when financing is completed.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2002

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corr. Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

01-01	June 30, 2001	Deposits under collateralized	Yes	Pledged securities are held by local bank
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Section II – Internal Control and Compliance Material to Federal Awards

No findings noted.

Section III – Management Letter

No findings noted.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2002**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

No findings noted.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable

Section III – Management Letter Comments

No findings noted.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Avoyelles Public Charter School, Inc.
Mansura, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Avoyelles Public Charter School, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Avoyelles Public Charter School, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No differences noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

No differences noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a population of 18 teachers (total number of teachers on staff) to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences noted.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

We noted two instances of erroneous documentation of teaching experience by the School.

Managements Response:

Management will be more careful in the future in its computation of teacher experience. The corresponding schedule which follows reflects accurate years of experience of the School's full-time teachers, principals and assistant principals.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a population of 18 teachers (total number of teachers on staff) to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No differences noted.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc..

No differences noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc.

This schedule was not applicable to the Avoyelles Public Charter School, Inc. as they have not yet been required to administer this test.

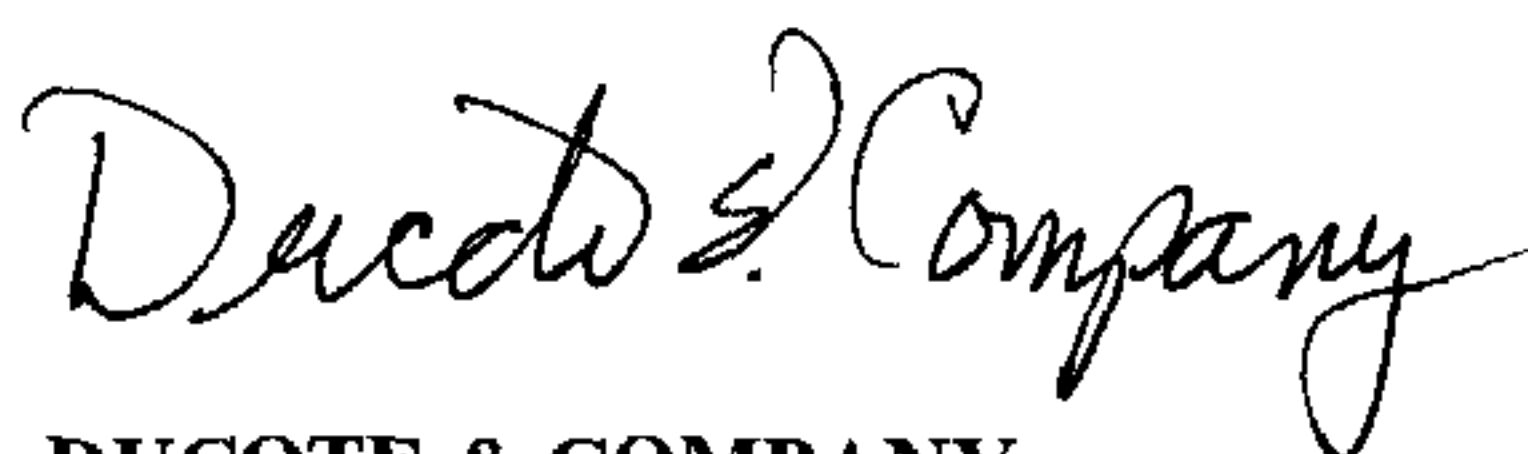
The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc.

No differences noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Avoyelles Public Charter School, Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



DUCOTE & COMPANY

Marksville, Louisiana

December 11, 2002

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA**

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2002**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 525,434	
Other Instructional Staff Activities	28,337	
Employee Benefits	145,418	
Purchased Professional and Technical Services	6,869	
Instructional Materials and Supplies	116,251	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 822,309

Other Instructional Activities		18,570
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Pupil Support Activities

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	-

Instructional Staff Services

Less: Equipment for Instructional Staff Services	28,166	
Net Instructional Staff Services	-	28,166

Total General Fund Instructional Expenditures		\$ 869,045
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Total General Fund Equipment Expenditures		\$ -
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue		\$ -
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Nonpublic Transportation Revenue		\$ -
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**AVOYELLES PUBLIC CHARTER SCHOOL
MANSURA, LOUISIANA**

**Education Levels of Public School Staff
As of October 1, 2001**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	14	78%	3	17%	2	100%	0	0%
Master's Degree	0	0%	0	0%	0	0%	0	0%
Master's Degree + 30	1	5%	0	0%	0	0%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	15	83%	3	17%	2	100%	0	0%

Schedule 3**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA****Number and Type of Public Schools
For the Year Ended June 30, 2002**

Type	Number
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2001

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	1	0	0	0	1
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	3	4	4	2	4	0	1	18
Total	3	4	5	3	4	0	1	20

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA**

**Public School Staff Data
For the Year Ended June 30, 2002**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 29,579.12	\$ 29,579.12
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 28,105.26	\$ 28,105.26
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	17.98	17.98

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA**

**Class Size Characteristics
As of October 1, 2001**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	0	0%	0	78%	14	0%	0
Elementary Activity Classes	0%	0	0%	0	22%	4	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2002**

District Achievement Level Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4					N/A						N/A	
Advanced	4	7%	0	0%			1	2%	0	0%		
Proficient	8	15%	11	22%			7	13%	2	4%		
Basic	19	35%	30	60%			16	30%	32	64%		
Approaching Basic	20	37%	8	16%			18	33%	11	22%		
Unsatisfactory	3	6%	1	2%			12	22%	5	10%		
Total	54	100%	50	100%			54	100%	50	100%		

District Achievement Level Results	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8	N/A		N/A		N/A		N/A		N/A		N/A	
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

**AVOYELLES PUBLIC CHARTER SCHOOL
MANSURA, LOUISIANA**

**The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2002**

District Achievement Level Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA**

**The IOWA Tests
For the Year Ended June 30, 2002**

	Composite		
	2002	2001	2000
Test of Basic Skills (ITBS)			
Grade 3	56.0%	69.0%	N/A
Grade 5	54.5%	53.0%	N/A
Grade 6	50.5%	N/A	N/A
Grade 7			
Tests of Educational Development (ITED)			
Grade 9	N/A	N/A	N/A

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.